

State Representative

# Dr. Vernon G. Smith



Representing Lake County

How To Reach  
Representative

Dr. Vernon G. Smith

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Summer, 2000

Dear Friends,

The One Hundred and Eleventh Indiana General Assembly has had many accomplishments, including more than \$974 million in tax cuts, a plan to distribute the more than \$4 billion Indiana will receive from the national tobacco settlement, and increases in funding for public schools and the CHOICE home health care program.

I have detailed several of those items in this newsletter along with providing a breakdown of the various Build Indiana projects and the additional funding for roads in our district.

This will be my last official newsletter until after the November election. However, I am still available to assist with problems, concerns or questions with state government. Please contact my office at 1-800-382-9842 if you need assistance.

Sincerely,

## Building District 14

### ROAD FUNDING

**Additional \$200 million  
will help build and  
repair local roads**

### TAX CUTS

**\$974 million in tax cuts**

### BUILD INDIANA FUNDS

**Lottery profits help  
communities with  
special projects**

**\* DETAILS INSIDE \***

# An update from Rep. Dr. Vernon G. Smith

## SAFE SCHOOLS

Indiana schools received almost \$9 million in funding for safe schools programs. Indiana's Safe Haven initiative provides funding to keep schools open for extended hours for programs to reduce substance abuse, reduce violent behavior, and promote educational progress. Schools open before and after the regular class day provide a safe place for children who would otherwise be home alone.

As our schools are facing more potential for violence and disruptive incidences than ever before, the program also provides funding for emergency preparedness and school safety programs.

The state budget also provides \$750,000 to train school safety specialists. It is important for schools to have the training to be able to identify and correct problems before trouble occurs.

National concern about school safety played a role in passage of legislation that allows school security plans to remain confidential. The legislation also provides that school boards may meet in private to discuss the assessment, design and implementation of school safety and security measures.

## Tax cuts benefit families



*Rep. Smith discusses legislation with Rep. Earl Harris (D-East Chicago).*

### Homeowners and Renters

Property taxes on a taxpayer's principal place of residence can be deducted on state income taxes up to \$2,500. The renters' [income tax deduction](#) was increased from \$1,500 to \$2,000. The county welfare funds and the county welfare administration funds were eliminated from local property taxes.

### Families and children

The [income tax deduction](#) was increased from \$1,000 to \$2,500 for dependent children under age 19 and full-time students under age 24. You may reduce your Indiana adjusted gross income for each qualifying dependent.

A new \$100,000 deduction has been provided for each "Class A" beneficiary, which includes a child, parent, grandchild or grandparent to reduce the [inheritance tax](#).

### Senior Citizens

The [income tax deduction](#) for seniors with adjusted gross incomes less than \$40,000 per year was increased from \$1,000 to \$1,500. Each qualified taxpayer may take this deduction — meaning married senior couples may now deduct \$3,000 from their adjusted gross income.

Many seniors also received an increase in the [property tax deduction](#) from \$1,000 to \$2,000. The basic eligibility qualifications have been expanded to include senior citizens with a maximum adjusted gross income of \$25,000 and who own property with a maximum assessed valuation of less than \$23,000. However, there are some limitations to the deduction. (1) Everyone who lives on the property must be 65 or older. The deduction is reduced if everyone is not 65. (2) Individuals who share ownership must reside on the property. However, living in a nursing home or hospital will not prevent a person from receiving this deduction. (3) You may not receive any other deductions other than the Mortgage Deduction and the Homestead Deduction.

The legislature also established a new state income tax deduction for the amount of [long-term health care](#) insurance premiums on qualified policies.

## Businesses, farmers receive tax cuts

### Inventory tax cuts total almost \$210 million

In the last budget year, the Indiana General Assembly enacted inventory tax cuts which will provide relief for farm and small business owners across the state. By enacting this credit which covers both equipment and inventory, we eliminated inventory taxes for nearly 90 percent of the businesses and farms in Indiana.



In the 1999 session, legislators approved a plan that provided a credit for property taxes paid on the first \$12,500 of assessed valuation on personal property, including inventory, mobile homes, and farm and manufacturing equipment.

It is estimated that the total savings will amount to more than \$210 million in 2000 and 2001. This means that many Hoosiers will see even smaller tax bills in the years ahead.

### Unemployment taxes reduced

In 2000, we cut the amount paid by employers into the unemployment compensation fund by \$108 million. That decrease was part of legislation that also provides Indiana workers who lose their jobs with an increase in benefits of 33 percent over the next three years.

### “Add-back” eliminated

Businesses no longer have to “add-back” property taxes deducted on their federal returns.

## Tobacco agreement to help several programs & groups

### Settlement targets health care, prescription drugs

Certainly one of the biggest achievements of the 2000 legislative session was passage of legislation that sets up a system to allocate the more than \$4 billion Indiana will be receiving from the national tobacco settlement over the next 25 years.

In the first year alone, \$35 million will be dedicated toward health care programs, with an emphasis on tobacco education and prevention. Another \$20 million will be used to help seniors on low incomes purchase needed prescription drugs. Community health centers will receive \$15 million in program support, along with a one-time-only appropriation of \$10 million to make physical improvements to facilities.

## BUILD INDIANA PROJECTS

Since 1989, \$229.9 million has been distributed statewide from lottery profits for Build Indiana Projects. The organizations and projects listed below received appropriations in the last biennial budget.

Gary YWCA -- \$200,000

Brothers Keepers, Inc.-- \$325,000

National Civil Rights Museum & Hall of Fame -- \$125,000

African American Achievers -- \$175,000

Lake Station Civic Center -- \$100,000

New Chicago Fire Equipment -- \$50,000

## ROAD FUNDING

We approved an additional \$200 million to build and repair local roads in last year's state budget. This funding is in addition to regular funding. Here is the breakdown for our district.

Lake County -- \$2.1 million

Gary -- \$3.4 million

Hobart -- \$799,637

Lake Station -- \$450,943

**\*The amount listed for each city is in addition to the county total\***

# Hoosier Healthwise

Hoosier Healthwise offers health care to children, pregnant women and low-income working families. Each child has a personal doctor -- known as a Primary Medical Provider or PMP. Each child's doctor works with the parent to plan for all of the health care needs of the child, including routine check-ups, immunizations, screenings, diagnoses and treatment. Hoosier Healthwise also offers access to dental care.

Families making up to 200 percent of the federal poverty level (equal to about \$34,000 for a family of four) may qualify for Hoosier Healthwise. To find out if you qualify, contact Hoosier Healthwise at 1-800-889-9949.

The Children's Health Insurance Program (CHIP) was created as part of the Federal Balanced Budget Act of 1997. Congress created CHIP as a way to encourage states to provide health insurance to uninsured children. In 1998, Indiana enacted legislation creating the Hoosier Healthwise program for children. More than 115,000 children have been added to the program since 1998. This sizable addition resulted in Indiana having the largest Medicaid enrollment increase of any state.

**Hoosier Healthwise Helpline 1-800-889-9949.**

## *How to apply*

1. Have an application mailed to you by calling 1-800-889-9949.
2. Fill out and sign the application.
3. Turn in the application by mailing it, taking it to an enrollment center or taking it to your local office of the Division of Family and Children.
4. Once your application is reviewed, you will receive a packet of information on the program and be assigned a Benefit Advocate.



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**Call the Statehouse toll-free**

**1-800-382-9842**

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